

Purchases from Officers or Employees

Original Implementation: Unpublished

Last Revision: July 28, 2015

Purchases, including but not limited to p-card, purchase order and purchase voucher from an SFA officer or employee are prohibited except as provided herein. In addition, purchases from any person or entity with whom the SFA officer or employee has a family, financial or personal relationship must be disclosed and managed. Reference Purchasing Ethics and Confidentiality (17.22).

The university may not enter into a contract for the purchase of goods or services with any business entity if the following officers or employees, or their family members, have a financial interest:

- 1) a member of the SFA Board of Regents
- 2) the president
- 3) general counsel
- 4) director of procurement and property services
- 5) a family member related to any of the related to any of the above within the second degree of affinity or consanguinity (See Nepotism, 11.6)

Financial interest is defined as the officer, employee, or family member identified above:

- Owning or controlling, directly or indirectly, an ownership interest of at least one percent in a contractor or business entity, including the right to share in profits, proceeds, or capital gains; or
- Reasonably foreseeing that a contract with the contractor or business entity could result in a financial benefit to the officer or employee.

Financial interest does not include a retirement plan, a blind trust, insurance coverage, or an ownership interest of less than one percent in a corporation.

Such relationships must be disclosed annually in accordance with Purchasing Ethics and Confidentiality (17.22).

Except as otherwise prohibited herein, the purchase of commodities from any SFA officer or employee is allowed only if the price is equal to or less than that which can be obtained from any other known and ethical source, regardless of the dollar amount. Solicitation documentation showing pricing from a minimum of two other sources is required for any purchase including, but not limited to, procurement card, purchase order, or purchase voucher. A proprietary purchase from an officer or employee may be acceptable, but only with approval from the director of procurement.

Except as otherwise prohibited herein, service contracts or agreements between employees and the university must be approved in advance by the director of procurement and the general counsel. The standard procedure is to submit an additional compensation form to human resources. Reference Salary Supplements, Stipends, and Additional Compensation policy (12.16).

Cross Reference: Salary Supplements, Stipends and Additional Compensation (12.16); Purchasing Ethics and Confidentiality (17.22); Nepotism (11.6); Tex. Gov't Code § 2261.252

Responsible for Implementation: Vice President for Finance and Administration

Contact for Revision: Director of Procurement and Property Services/HUB Coordinator

Forms: Sole Source/Product Justification

Board Committee Assignment: Finance and Audit